

ORIGINAL

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RECEIVED

April 14, 2000

APR 14 2000

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**RE: Application of GTE Corporation and Bell Atlantic Corporation For Consent to Transfer Control of Certain Licenses and Authorizations, CC Docket No. 98-184**

Dear Ms. Roman Salas,

Enclosed is a copy of the Declaration of Paul Lacouture to be filed on the public record in the above-referenced docket. By copy of this letter, I am also delivering copies of this document to the persons listed below.

Please call me if you have any questions.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Patricia E. Koch".

Enclosure

cc (w/encl.): Mr. R. Atkinson  
Ms. M. Carey  
Mr. J. Jennings  
Mr. M. Jacobs  
Mr. E. Einhorn

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List ABCDE

A handwritten number "071" in dark ink, written over the "No. of Copies rec'd" text.

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

**RECEIVED**

**APR 14 2000**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**

In the Matter of )  
GTE CORPORATION, )  
Transferor, )  
and )  
BELL ATLANTIC CORPORATION, )  
Transferee )  
For Consent to Transfer Control )

File No. 98-184

**DECLARATION OF  
PAUL A. LACOUTURE**

1. My name is Paul A. Lacouture. I am President – Network Services Group for Bell Atlantic Network Services, Inc. In this capacity, I am responsible for Bell Atlantic's annual capital program and for network planning, engineering, construction and day-to-day operations, as well as for Bell Atlantic's Administrative Services, Internal Information Systems, Technology Planning and Wholesale Marketing, Sales and Operations.

2. I have more than 27 years experience in the telecommunications industry, in a variety of engineering and operations positions working for NYNEX and now Bell Atlantic. Prior to my current position, I served as the chief technology and engineering officer for Bell Atlantic immediately following the merger with NYNEX. Before the merger, I served as Vice President – Engineering and Construction at NYNEX,

responsible for the planning, design and construction of the NYNEX network throughout New York and New England. My educational background includes a B.S. in Electrical Engineering received in 1972 and a M.B.A. received in 1984.

3. The purpose of my statement is to provide additional information concerning the cost and feasibility of providing uniform interfaces and business rules to enable CLECs to obtain access to operating support systems (OSS) across the new merged company.

4. As Ms. Jordan and Mr. Holland explained in their Joint Declaration, Bell Atlantic and GTE do not share common histories from either a network or a systems perspective. Their respective networks and OSS have been developed from significantly different sources and, as a result, those systems differ significantly. Moreover, the OSS interfaces and business rules are intricately and inextricably tied to the network, to core systems for provisioning, customer care, billing, and trouble management, and to the associated business processes and practices that have grown up over many years, reflecting different local regulatory and business environments.

5. As a theoretical matter, there are two ways which Bell Atlantic/GTE could use to make the OSS interfaces and business rules uniform between the companies. One, which I call the "OSS solution," would involve enormous software programming efforts and system change-outs to enable the merged company's gateway systems to translate orders or pre-order transactions from CLECs into the data and formats required by Bell Atlantic's and GTE's different core systems and direct the transactions to the appropriate systems. A second way to achieve uniformity would be what I call the "network solution." This would involve essentially replacing GTE's network and systems with

equipment that matches Bell Atlantic's network and systems and migrating the GTE customers to the new infrastructure.

6. Achieving uniform OSS interfaces and business rules through the OSS solution would cost at a minimum hundreds of millions of dollars and would take over five years to complete. Based on the assessment of the Bell Atlantic and GTE information systems and technology personnel who deal with the companies' respective OSS, the cost is expected to exceed \$400 million and, given past experience, ultimately may substantially exceed that amount. For several reasons, however, there is a great deal of uncertainty that may cause even this estimate to be significantly understated. Perhaps more important, there is no guarantee that even these massive expenditures will succeed in producing the desired level of uniformity.

7. First, within the software industry, very few projects of this magnitude are successfully completed on time and within budget. Indeed, Bell Atlantic's experience with major software and systems changes (including the development and roll-out of LiveWire and expressTrak) has been that they generally cost several times, and take far longer than, the initial estimates due to the evolution of business, legal, regulatory, and competitive requirements during the life cycle of a project which spans several.

8. Second, there is no guarantee that the results of this effort would be satisfactory. The Bell Atlantic/GTE information systems and technology personnel have already determined, for example, that some differences between the companies' billing account structures and hierarchies cannot be masked and, therefore, would continue to differ after completion of an OSS solution. In addition, there are certain network architecture differences that lead to differences in how products and services are defined

and provisioned, which in turn affects service methods and procedures and hence labor practices between the companies. These are differences that cannot be changed and should not be masked.

9. Even where masking is possible, it would create significant additional difficulties for the CLECs. For example, masking the pre-order responses returned to CLECs so they appear uniform would mean that the pre-order information provided to CLECs would no longer match the formats and business rules required for submitting orders. That would diminish or eliminate the CLECs' ability to integrate their pre-order and ordering functions. "Re-masking" the information in the ordering context would obviously increase the programming and systems effort and cost, and would exacerbate the problems associated with masking. Fundamentally, masking or data translation to convert a CLEC transaction into information needed and understood by the companies' core systems adds processing time to each transaction. That additional processing could degrade response times to the point where the CLECs' own processes and practices are affected.

10. Given the size of the work effort required for a project like this and the unknowns about the true scope and scale of the project, there is no certainty that Bell Atlantic/GTE would be able successfully to complete such a project. Moreover, because of the magnitude and difficulty of such a project, and based on our past experience with similar large scale systems efforts, I think the costs could easily approach \$1 billion.

11. Moreover, as Ms. Jordan and Mr. Holland explained, if Bell Atlantic and GTE implement uniform interfaces and business rules, CLECs that have developed application-to-application interfaces with the company whose interfaces and business

rules change would be required to reconfigure their network to maintain connectivity and to re-program their systems to accommodate changed business rules. All CLECs, whether they use application-to-application interfaces or GUIs, would have to retrain their personnel on new business rules and transaction formats. CLECs would be required to make these changes whether or not they do business with both companies.

12. As I stated at the beginning, another way to achieve uniform interfaces and business rules would be a network solution – that is, replacing and modifying GTE’s network and systems to enable them to work with Bell Atlantic’s network and systems. Both Bell Atlantic and GTE have extensive experience with switch replacements and data conversions as part of operating their networks for decades. For that reason, and because of the uncertainties over the cost and ultimate workability of an OSS solution, Bell Atlantic/GTE would be likely to rely at least in large part on a network based solution if required to provide uniform interfaces and business rules.

13. This solution would require the replacement of some of GTE’s host and remote switches (I use the term “entities” to encompass both) and the modification and upgrading of other entities to enable them to work with Bell Atlantic’s network and systems. In addition, all of GTE’s customer records would have to be converted so they could be included in Bell Atlantic’s databases.

14. Bell Atlantic/GTE estimate that the total cost for a network solution throughout the entire new company would approach \$2.2 billion. After the merger, the GTE Service Areas will include about 20 million access lines. Approximately 2,200 entities – serving about 11.6 million lines – would need to be replaced. Entities serving the remaining lines would be modified or upgraded. The cost to accomplish this,

including switch replacements and upgrades, software costs, and any necessary building and conditioning costs, would be approximately \$1.9 billion. There would be additional expenses of approximately \$240 million associated with data conversion and customer notification and education. These costs do not represent investment in additional capabilities, but in replacement of one set of equipment with a different set of equipment to accomplish the same functions.

15. The total cost to accomplish a network solution in Pennsylvania and Virginia would be approximately \$150 million. In those states, GTE serves approximately 1.3 million access lines. In order to provide uniformity within Pennsylvania and Virginia, approximately 124 entities serving about 600,000 lines would need to be replaced. The entities serving the remaining 700,000 lines would be modified or upgraded. The cost for these replacements and upgrades would be approximately \$100 million. In addition, there would be data conversion and customer notification expenses of approximately \$50 million.

16. Bell Atlantic/GTE would need a minimum of five years to accomplish this work for Pennsylvania and Virginia in a rational manner. Switch replacements need to be carefully planned and scheduled so they can be accomplished smoothly and without disruption to customers' services. In addition, it would take approximately 12 - 18 months of programming effort to prepare the software necessary to convert customer data to the Bell Atlantic databases.

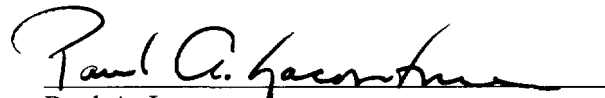
17. Any network solution in Pennsylvania and Virginia must also recognize the geographically dispersed nature of GTE's exchanges. In both Pennsylvania and Virginia, GTE's exchanges are on both sides of the state and range from rural to urban

and suburban areas. It would make little sense to invest in massive systems and infrastructure changes for the sake of competition in areas where no CLECs have any plans to enter and compete in those markets.



I declare under penalty of perjury under the laws of the United States of America  
that the foregoing is true and correct to the best of my knowledge and belief.

Executed on April 14, 2000

  
Paul A. Lacouture